

Lake Delhi Disaster

Continuing the Public – Private Partnership at Lake Delhi

Presented by:

Lake Delhi Watershed Committee (LDWC)

Todd Gifford, Steve Leonard, Dave Fry

Presenters

Todd Gifford, President – Dee Electronics

Steve Leonard, VP Program Sales – GE Capital

Dave Fry, CFO – Nordstrom Oil Company

Invited Guests

Lake Delhi Taxing District (357E) Trustees :

- James (Buzz) Graham
- Bruce Schneider (in attendance today)
- Ed Schmitz

Nate Dunn, F&M Bank, Manchester

Doug Tuetken, Superintendent – Maq. Valley Schools

Jack Klaus, Exec. Director – Manchester Chamber of Commerce

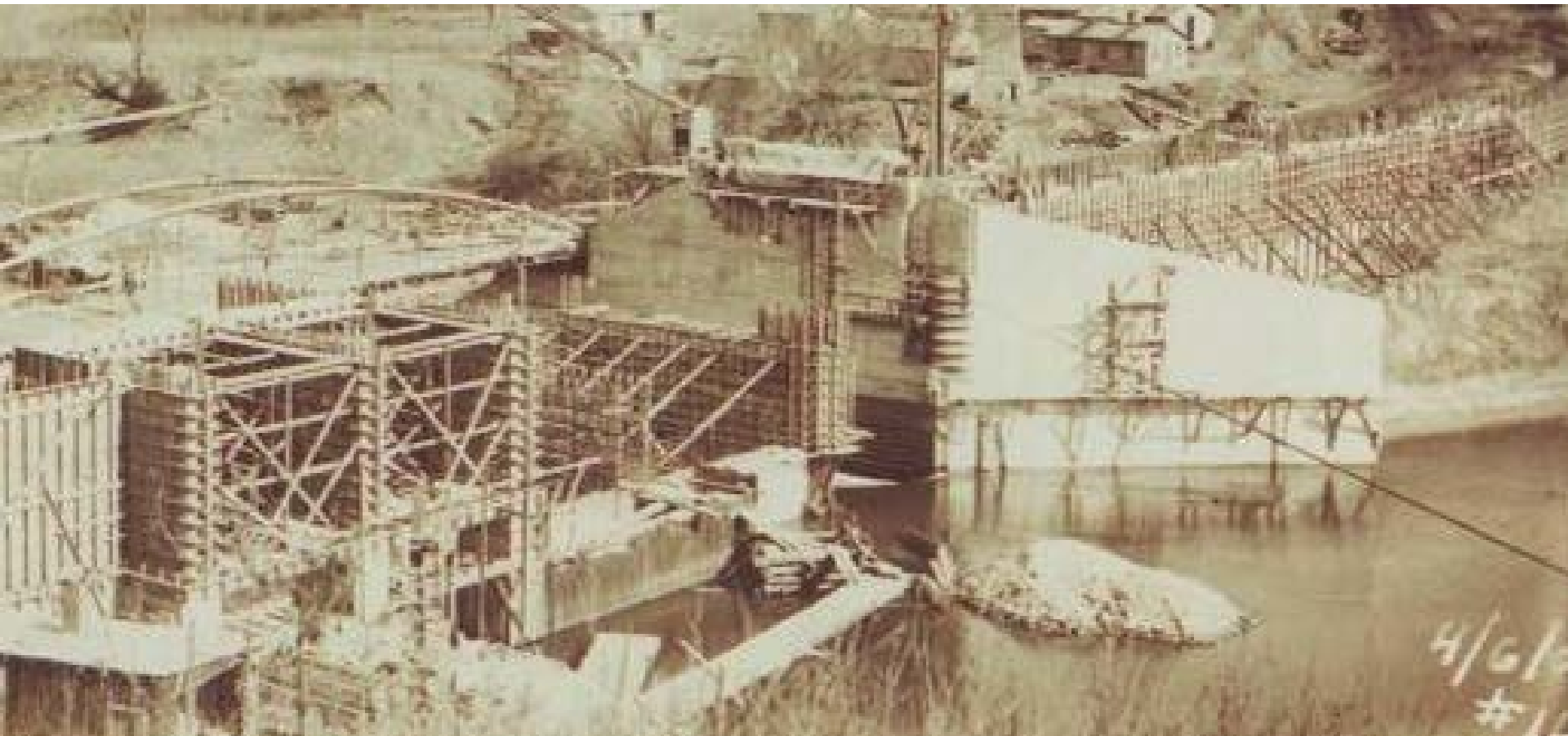
Donna Boss, Director – Delaware County Economic Development

Lake Delhi Watershed Committee

- We Are:
 - A **statewide** Grass Roots Advocacy Coalition that represents individuals, businesses, and organizations
 - Advocating to get the public Lake Delhi Restored and the Dam Rebuilt
 - Communicating with all levels of government, individuals, businesses, and organizations

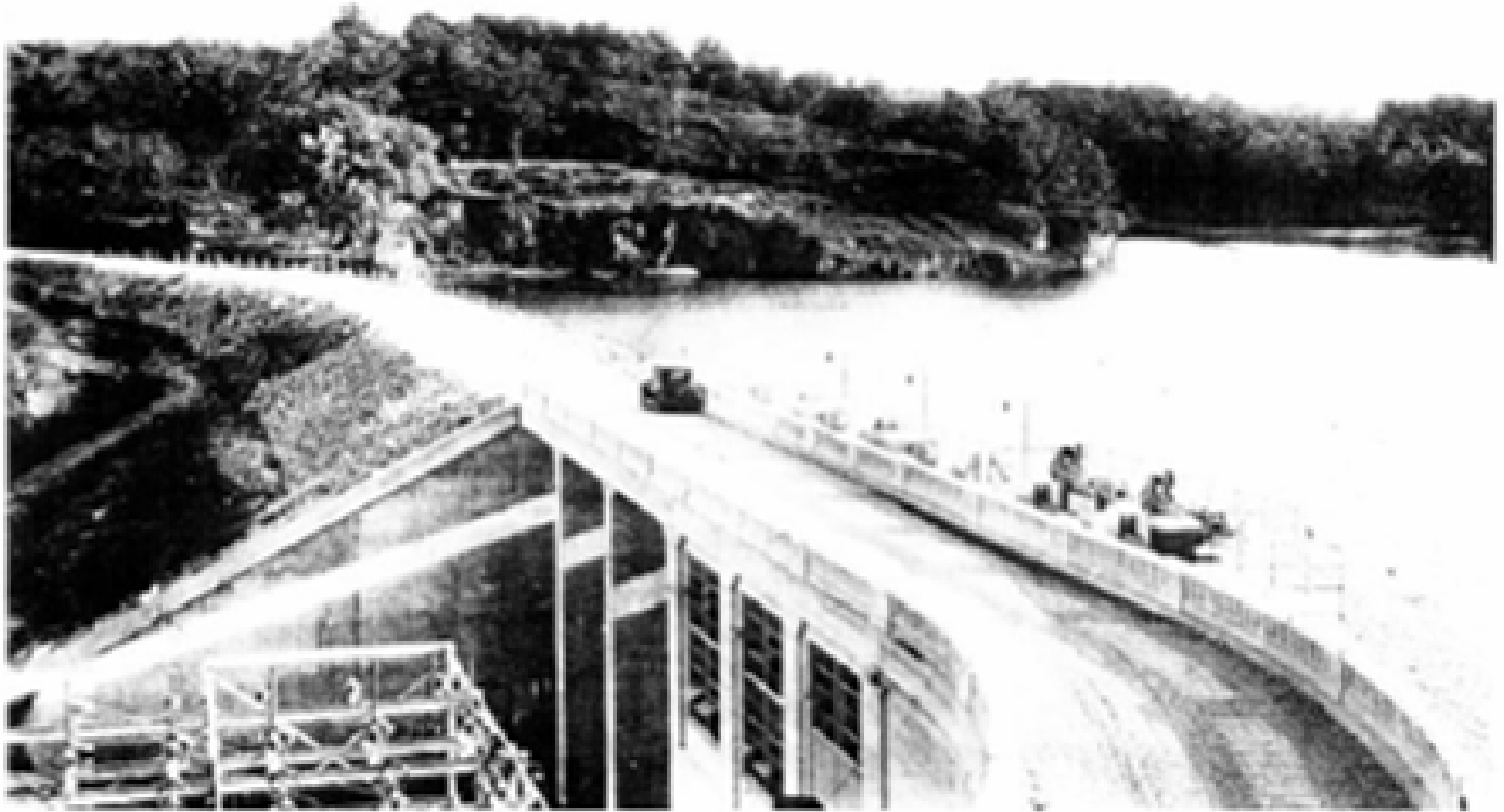
Lake Delhi History

Lake Delhi was created in the 1920's by the construction of a hydroelectric dam on the Maquoketa River, creating a 450 Acre Impoundment with more than 18 Miles of Shoreline (Roughly the same size as Clear Lake).



Lake Delhi History

The completed dam was a state-of-the-art facility in 1927



Power dam across the Maquoketa River south of Delhi. (Photo courtesy of Delaware County Historical Society)

Lake Delhi History

In the early 1970s, construction of a nuclear power plant in Iowa and movement towards other generating sources made the old Lake Delhi dam less attractive to the utility.

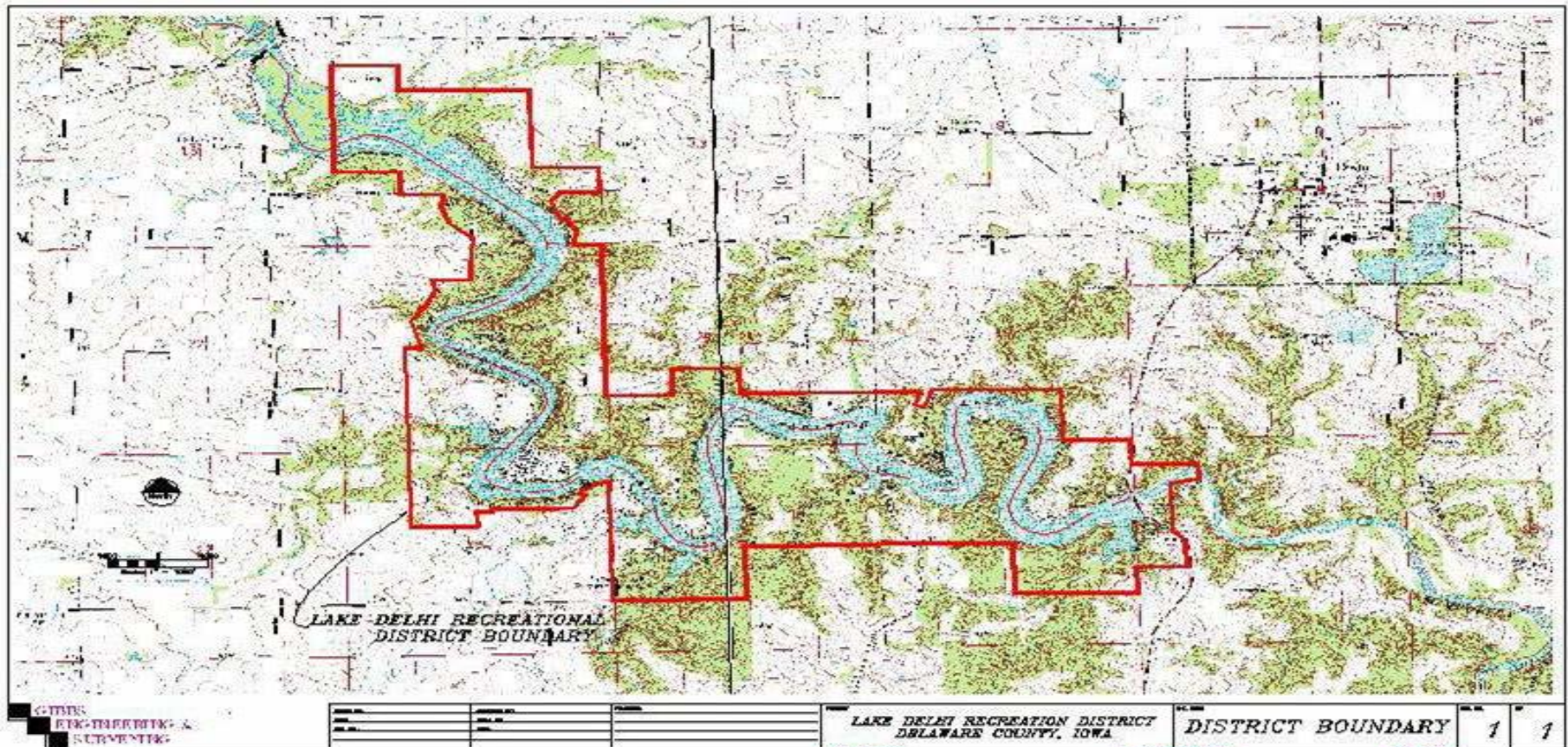
When no public entity would take responsibility for the dam, the public/private partnership between the Lake Delhi Community and the State of Iowa was formed.

Since 1973, the Lake Delhi Recreation Association has maintained and improved the dam and public lake, using primarily private funds, under the direction and guidelines of the Iowa Department of Natural Resources.



Lake Delhi History

In 1989, the public/private partnership was expanded with the creation of the Lake Delhi Combined Recreation and Water Quality Tax District to allow Lake residents to tax themselves (\$4 / \$1,000 assessed value) to support the dam and public lake. The tax district, with publicly elected trustees, became responsible for the dam and lake.



July 24, 2010

The Dam was Breached



Lake Delhi Economic Impact Study

A Complete Copy of the Economic Impact Study is Available at www.GoLakeDelhi.org

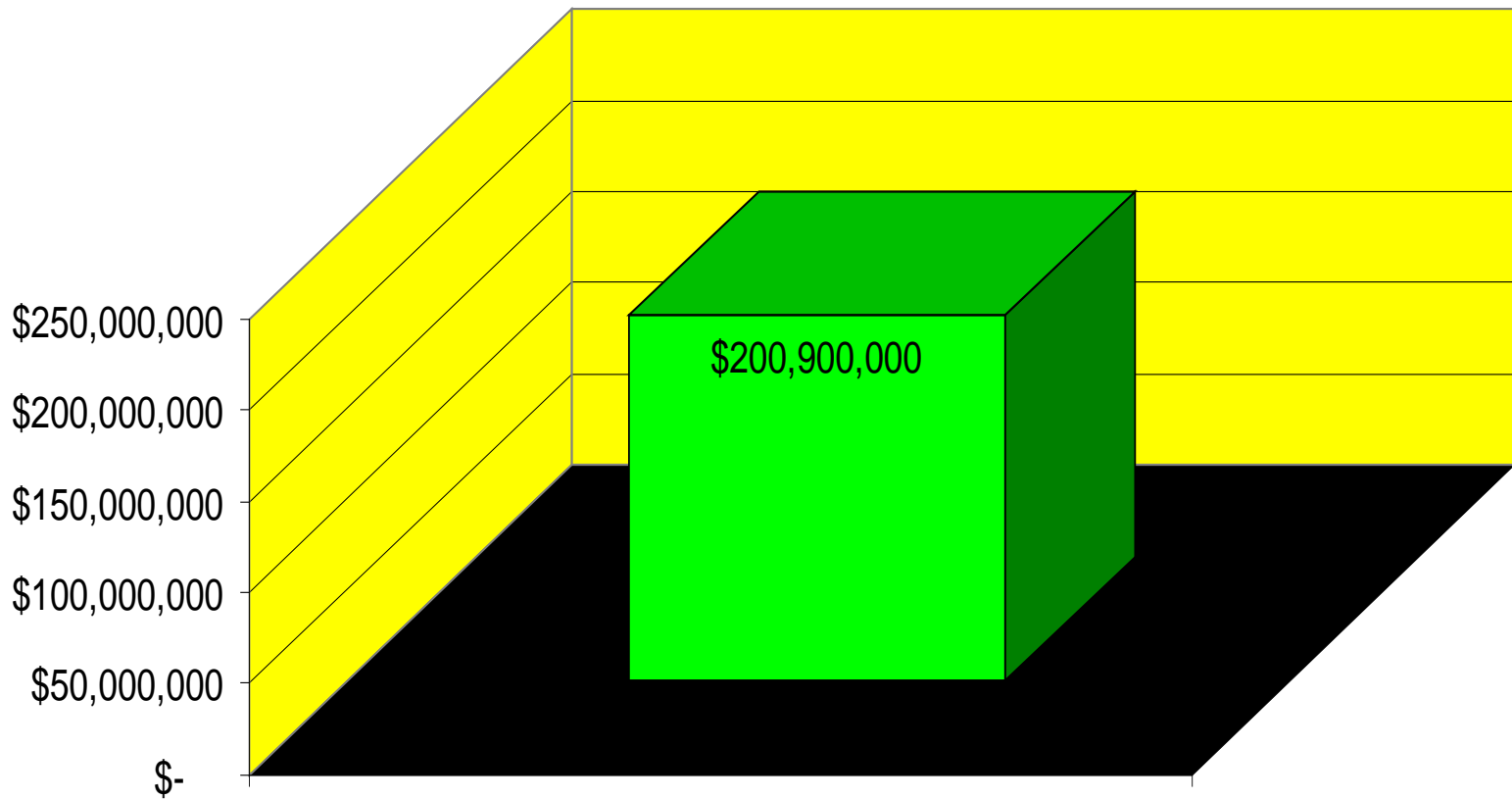
- **Lake Delhi Resident Spending:** \$154 Million
Prior to loss of lake; \$34.3 Million After
=\$120 Million Annual Drop
- **Lake Delhi Property Value driving Property Tax Revenue:** \$125 Million prior to loss of lake; \$37 Million After
=\$88 Million Drop
- **Lake Delhi Property Tax Revenue Drop = \$1.2 Million per Year**

Note: This data does not include the Economic \$ infusion that would occur by restoring the lake

Economic Impact Study Results

ANNUAL SPEND IMPACTS	Expressed in Millions of \$		
	Annual Spend before Dam Breach	Annual Spend without Lake Restoration	Change in Annual Spend
Annual Economic Spend by Lake Delhi Residents	\$17.3	\$4.0	(\$13.3)
Annual Impact of Property Tax Revenues	\$1.9	\$0.7	(\$1.2)
Annual Economic Impact by Guests of Residents	\$2.8	\$0.2	(\$2.6)
Total Annual Economic Impact of Initial Spending	\$22.0	\$4.9	(\$17.1)
Multiplier to Determine Economy-Wide Economic Effect	7	7	7
Grand Total Annual Economy-Wide Economic Impact	\$154.0	\$34.3	(\$119.7)

**One-Time Economic Impact of Resident Expenditures Reconstruction and Improvements
(Not Including the Dam Reconstruction Project)**

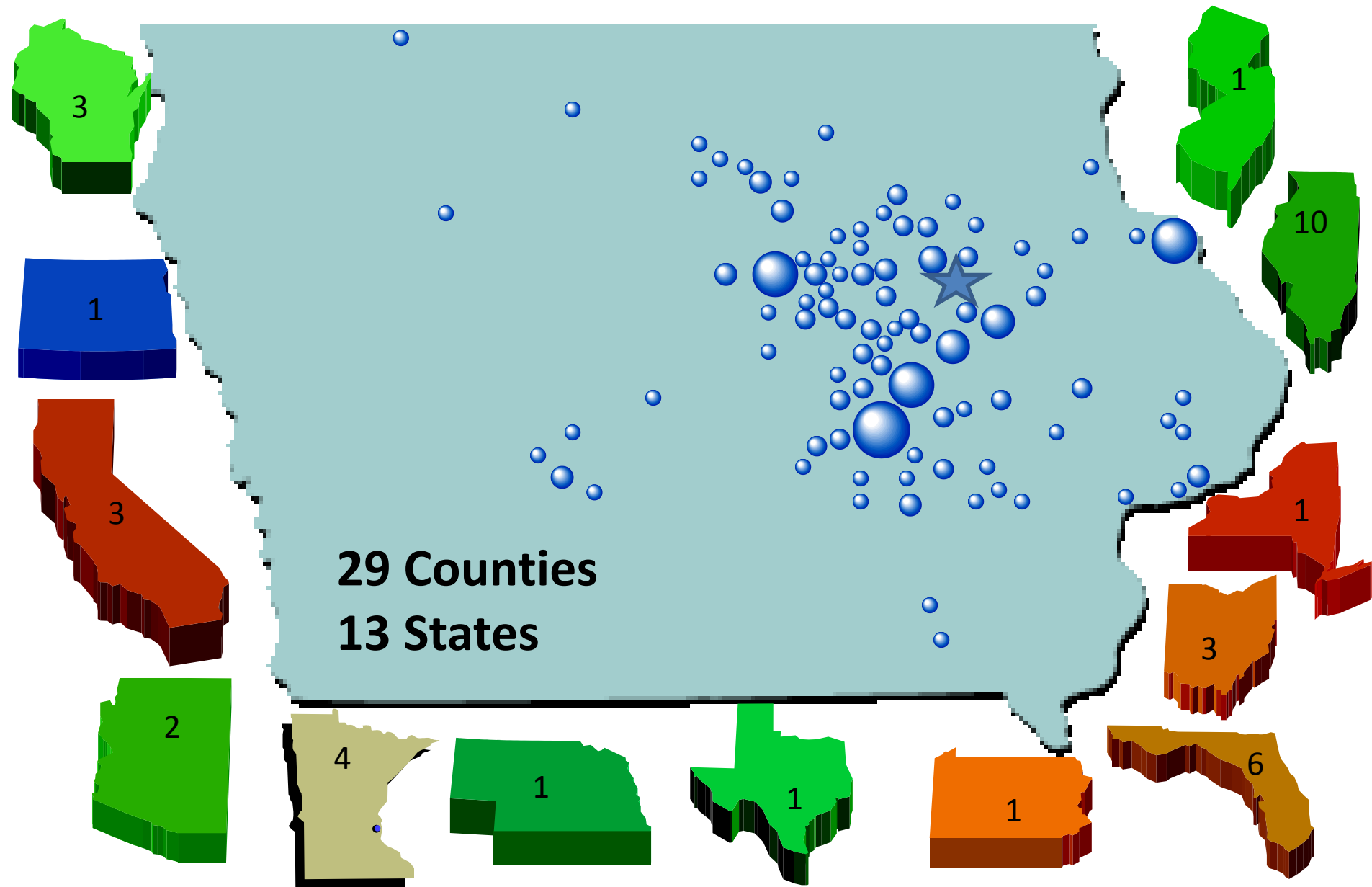


Economic Impact of Lake Delhi

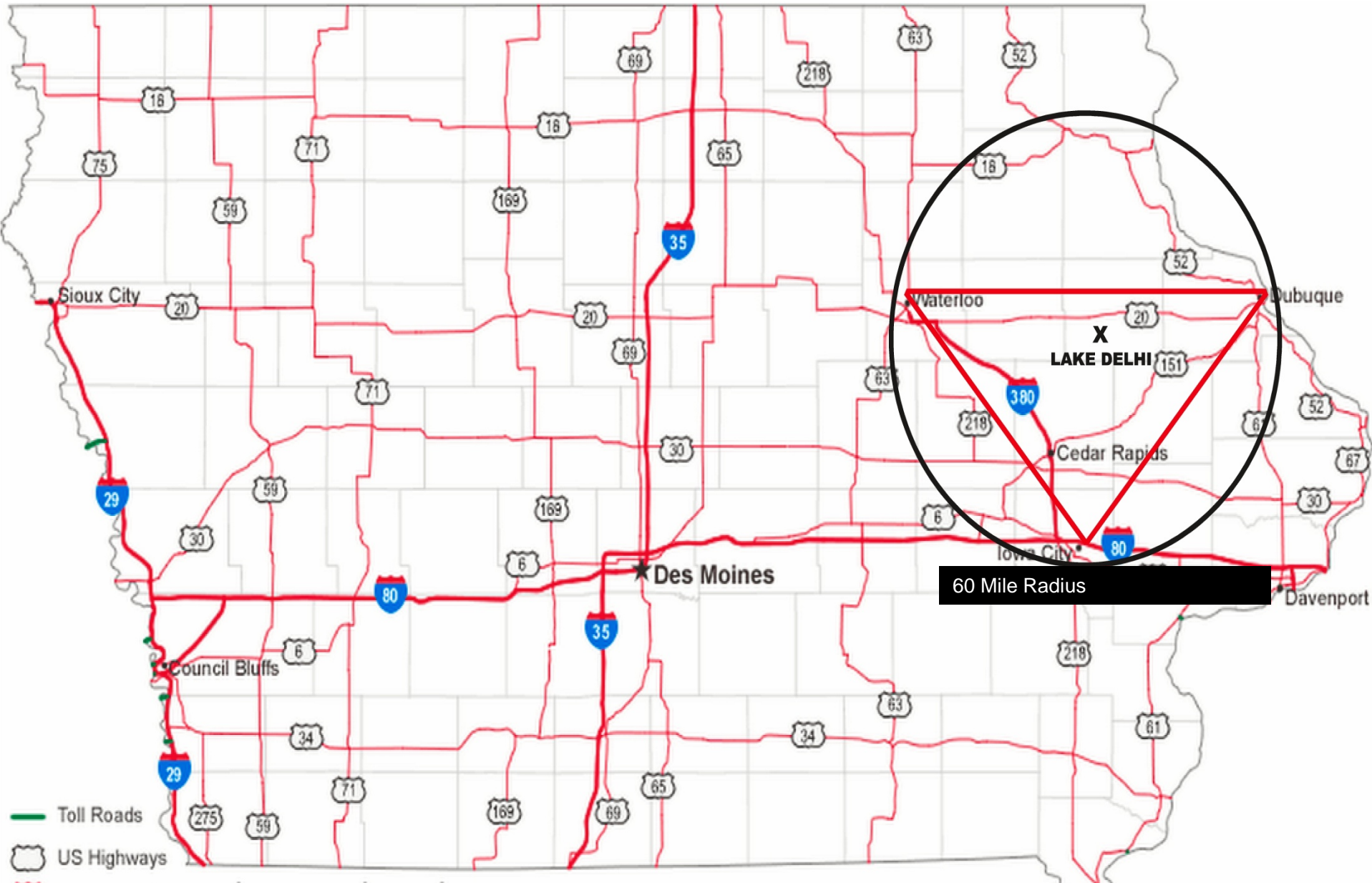
- Losing Lake Delhi is like losing a major employer in the region
- Lake Delhi is an economic engine that creates major consumer spending, jobs, sales tax, and property tax revenue for the region
- Losing an economic engine like this has a ripple effect
- According to a study by Iowa State University completed in 2005, Iowa lakes have great economic value to the citizens of the state.
 - **Clear Lake** averages **432,312** visitors annually
 - They spend an average of **\$43.36 million** annually
 - Generating **529** jobs and **\$10.83 million** of labor income in the region.
 - Clear Lake Shoreline : **13.6** miles Lake Delhi Shoreline : **18** Miles

The Public Lake of Lake Delhi is a Regional Concern

Lake Delhi Residents come from all over Iowa and the U.S.



Within a 60 mile radius from this scenic location is approximately 705,000 individuals representing 21% of Iowa's population. [1] State Data Center of Iowa



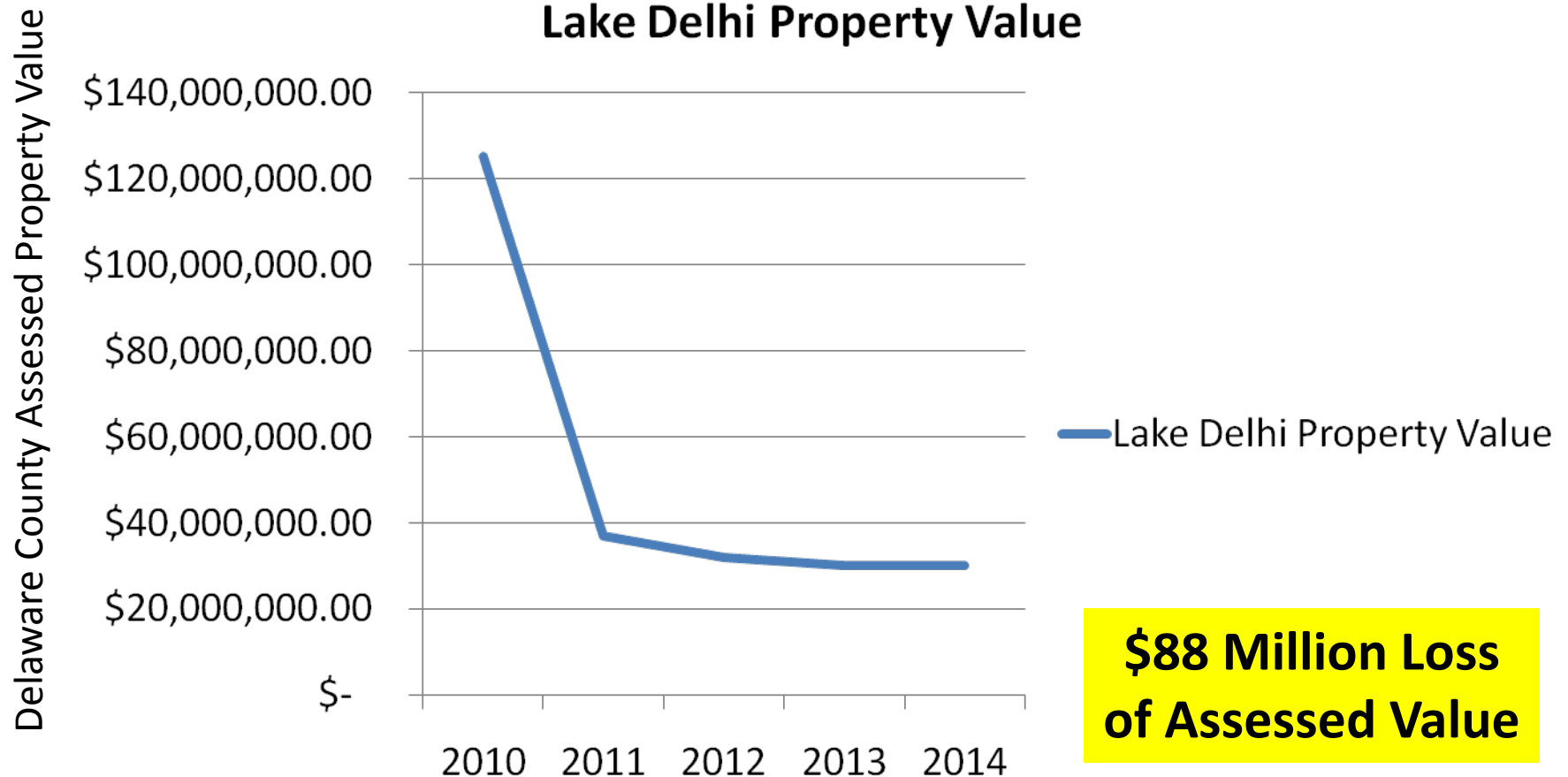
Regional Impact is Serious

- Banks / Bank Loans – confirmed major exposure for Lake Delhi home loans defaulting due to dramatic property value drop
 - Loan defaults are occurring and will accelerate if the lake is not restored
 - This will significantly tighten Credit by the Banks in the region
 - Area businesses reporting dramatic drops in sales following the dam breach disaster.

Loss of Lake: Other Negative Impacts

- Lake Delhi Assessed Property Value (pre-flood) represents **17.7%** of total Delaware County Residential Property Value
- ***\$1.2 Million*** Property Tax Revenue Decline - will need to be dealt with by Delaware County
- The Delaware County Board of Supervisors will need to make a decision to cut County Road Maintenance and other County Services or *Raise Property Taxes* to make up the gap

Catastrophic Drop in Lake Delhi Property Value with loss of Lake



School Property Tax Revenue Decrease

- **\$950,000 (23%)** of Maquoketa Valley School revenues comes from the Lake Delhi taxing district.
- The Economic Impact Study projects a 70% decline in assessed values, due to the loss of Lake Delhi. Recent market sales data supports that projection.
- Maquoketa Valley Schools will need to increase their Levy and/or cut expenses to make up for the **\$665,000 annual decrease** in Property Tax Revenue from the Lake Delhi District.



If Lake Delhi is Restored, We Avoid These Negative Consequences

Time is of the Essence

- Property Tax Revenue Drop Would Be Avoided
- Lake Delhi Consumer Spending Would Be Restored Which Keeps Local Jobs
- Property Value Decline Would Be Reversed, Avoiding Bank Loan Defaults
- Overall County Housing Market Decline and it's affect on lending/interest rates would be avoided
- We have an Emergency Situation that needs to be addressed now, not later

Multi-Pronged Solution

- We believe the rebuild solution will require participation from local, county, state, and federal levels of government
- Lake Residents know they will also have skin in the game for the restoration solution

Local “Skin in the Game”

- We are requesting a change to the taxing authority of the 357E to increase the levy cap from the current rate of \$4.00/thousand on assessed value.
- The Community Fund to Rebuild Lake Delhi has been created and is moving full steam ahead to raise a substantial amount of private money to help support the effort to rebuild the dam.
- The Community Fund to Rebuild Lake Delhi is a 501c3 Tax Exempt Fund that is sponsored and administered by the Maquoketa Valley Alliance and Community Foundation of Greater Dubuque, a highly accredited Foundation in Eastern Iowa.

Frequently Asked Questions

- Costs
- Public Access
- Hydroelectric Potential

Pre-Construction Costs

\$350,000

Geotechnical Evaluation and Report

Archeological Survey

Hydrological Studies

Restoration Design Alternatives

Construction Drawings and Specifications

Permitting and Agency Coordination

Bidding Services

Basic Construction Services

Preliminary Estimates of Dam Reconstruction Costs

	Hazard Rating	
	Moderate	High
Permits, Engineering, Project Development	\$ 1.0 M	\$ 1.0 M
Structure, Gates & Gate Controllers	\$ 2.4 M	\$ 3.3 M
Primary and Emergency Spillways	\$ 3.3 M	\$15.4 M
Hydroelectric	\$ 3.3 M	\$ 3.3 M
Total Estimated Costs	<u>\$10.0 M</u>	<u>\$23.0 M</u>

NOTE: Add \$1 Million for Fish Passage/Ladder if required.

Public Access

Lake Delhi attracts tens of thousands of visitors each year and they are an important part of the Lake Delhi community . Lake Delhi residents are working with the county to create more public access and make the public lake even more visitor friendly.



Hydroelectric Potential

- In 2007 an agreement was negotiated and work began to bring electric generating capacity back on line.
- An application was submitted to Federal Energy Regulatory Commission, which is still pending.
- The comprehensive plan includes restoration of generators, turbines, switch gear, automatic controls, etc.
- Estimated cost of \$3.3 Million.
- Peak power generating capacity - 2 Megawatts



Thank You for Your Time

QUESTIONS?